

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

# ESPRIT

## ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock Code: 00330)

### UNAUDITED FY13/14 FIRST QUARTER UPDATE FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2013

#### FIRST QUARTER UPDATE

The board of directors (the “Board”) of Esprit Holdings Limited (the “Company”) presents the unaudited FY13/14 first quarter update of the Company and its subsidiaries for the three months ended 30 September 2013. This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### Turnover by Product Divisions

Product Divisions	For the 3 months ended 30 September				Change in %	
	2013		2012		Local	
	HK\$ million	% to Group Turnover	HK\$ million	% to Group Turnover	HK\$	currency
<b>women</b>	<b>2,407</b>	<b>36.7%</b>	2,594	39.3%	-7.2%	-11.1%
women casual ^	1,590	24.3%	1,824	27.6%	-12.8%	-16.5%
women collection ^	742	11.3%	732	11.1%	1.5%	-2.9%
trend	75	1.1%	38	0.6%	98.8%	90.3%
<b>men</b>	<b>845</b>	<b>12.9%</b>	1,019	15.4%	-17.0%	-20.5%
men casual ^	652	10.0%	812	12.3%	-19.6%	-23.0%
men collection ^	193	2.9%	207	3.1%	-6.8%	-11.0%
<b>edc ^</b>	<b>1,576</b>	<b>24.1%</b>	1,701	25.8%	-7.4%	-11.7%
<b>others*</b>	<b>1,724</b>	<b>26.3%</b>	1,289	19.5%	33.5%	27.2%
<b>Total</b>	<b>6,552</b>	<b>100.0%</b>	6,603	100.0%	-0.8%	-5.2%

^ In the quarter ended 30 September 2012, turnover of denim was included in women casual, women collection, men casual, men collection and edc whereas in the quarter ended 30 September 2013, turnover of denim was grouped under a separate division called denim

\* Others include denim, shoes, accessories, bodywear, kids, sports, licensing income & licensed products like timewear, eyewear, jewellery, bed & bath, houseware etc.

## Turnover by Key Distribution Channels

Key Distribution Channels	For the 3 months ended 30 September					
	2013		2012		Change in %	
	HK\$ million	% to Group Turnover	HK\$ million	% to Group Turnover	HK\$	Local currency
<b>Retail<sup>#</sup></b>	<b>3,570</b>	<b>54.5%</b>	<b>3,468</b>	<b>52.5%</b>	<b>2.9%</b>	<b>-1.2%</b>
Europe	2,697	41.2%	2,421	36.6%	11.4%	5.6%
Asia Pacific	694	10.6%	817	12.4%	-15.1%	-14.5%
<b>Subtotal</b>	<b>3,391</b>	<b>51.8%</b>	<b>3,238</b>	<b>49.0%</b>	<b>4.7%</b>	<b>0.5%</b>
Store Closures and Stores with onerous contracts *	179	2.7%	230	3.5%	-22.3%	-25.2%
<b>Wholesale</b>	<b>2,904</b>	<b>44.3%</b>	<b>3,092</b>	<b>46.8%</b>	<b>-6.1%</b>	<b>-10.9%</b>
Europe	2,624	40.0%	2,702	40.9%	-2.9%	-7.9%
Asia Pacific	280	4.3%	352	5.3%	-20.5%	-23.8%
North America	-	-	38	0.6%	-100.0%	-100.0%
<b>Licensing</b>	<b>45</b>	<b>0.7%</b>	<b>39</b>	<b>0.6%</b>	<b>13.8%</b>	<b>12.8%</b>
<b>Others</b>	<b>33</b>	<b>0.5%</b>	<b>4</b>	<b>0.1%</b>	<b>734.3%</b>	<b>688.9%</b>
<b>Total</b>	<b>6,552</b>	<b>100.0%</b>	<b>6,603</b>	<b>100.0%</b>	<b>-0.8%</b>	<b>-5.2%</b>

<sup>#</sup> Retail sales include sales from e-shop in countries where available

\* Represent store closures and stores with onerous contracts announced in prior financial year(s)

## Retail Distribution Channel by Regions (Directly Managed Retail Stores)

Regions	No. of stores	Net sales area m <sup>2</sup>	Movement since 30 September 2012		Movement since 1 July 2013		No. of comp-stores *
			Year-on-year net change in no. of stores	Year-on-year change in net sales area	Net change in no. of stores	Net change in net sales area	
			Europe	328	205,087	10	
Asia Pacific	608	107,743	(35)	-7.1%	(31)	-4.6%	299
<b>Subtotal</b>	<b>936</b>	<b>312,830</b>	<b>(25)</b>	<b>-0.7%</b>	<b>(27)</b>	<b>-0.8%</b>	<b>536</b>
Store Closures and Stores with onerous contracts**	57	32,659	(18)	-24.0%	(4)	-6.6%	n.a.
<b>Total</b>	<b>993</b>	<b>345,489</b>	<b>(43)</b>	<b>-3.5%</b>	<b>(31)</b>	<b>-1.4%</b>	<b>536</b>

\* All e-shops within Europe and the e-shop in China are shown as 1 comparable store in Europe and 1 comparable store in Asia Pacific

\*\* Represent store closures and stores with onerous contracts announced in prior financial year(s)

n.a. Not applicable

## Wholesale Distribution Channel by Regions (Controlled Space Only)

Regions	No. of stores	Net sales area m <sup>2</sup>	Movement since 30 September 2012		Movement since 1 July 2013	
			Year-on-year net change in no. of stores	Year-on-year change in net sales area	Net change in no. of stores	Net change in net sales area
			<b>Franchise stores</b>	<b>1,616</b>	<b>321,658</b>	<b>(320)</b>
Europe	896	225,297	(113)	-11.5%	(24)	-3.0%
Asia Pacific	720	96,361	(207)	-18.4%	(66)	-7.1%
<b>Shop-in-stores</b>	<b>4,357</b>	<b>161,314</b>	<b>(297)</b>	<b>-7.8%</b>	<b>(50)</b>	<b>-1.5%</b>
Europe	4,250	158,689	(304)	-8.0%	(51)	-1.5%
Asia Pacific	107	2,625	7	6.9%	1	1.0%
<b>Identity corners</b>	<b>3,044</b>	<b>64,598</b>	<b>(816)</b>	<b>-22.4%</b>	<b>(91)</b>	<b>-2.6%</b>
Europe	3,044	64,598	(816)	-22.4%	(91)	-2.6%
Asia Pacific	-	-	-	-	-	-
<b>Total</b>	<b>9,017</b>	<b>547,570</b>	<b>(1,433)</b>	<b>-13.2%</b>	<b>(231)</b>	<b>-3.3%</b>
Europe	8,190	448,584	(1,233)	-12.1%	(166)	-2.4%
Asia Pacific	827	98,986	(200)	-17.9%	(65)	-6.9%

## Turnover by Geographies

Regions	For the 3 months ended 30 September						Retail comp store sales growth*
	2013		2012		Change in %		
	HK\$ million	% to Group Turnover	HK\$ million	% to Group Turnover	HK\$	Local currency	
Europe	5,360	81.8%	5,131	77.7%	4.5%	-1.0%	1.6%
Asia Pacific	975	14.9%	1,173	17.8%	-16.9%	-17.4%	-7.5%
<b>Subtotal</b>	<b>6,335</b>	<b>96.7%</b>	<b>6,304</b>	<b>95.5%</b>	<b>0.5%</b>	<b>-4.0%</b>	<b>0.2%</b>
Store Closures and Stores with onerous contracts*	179	2.7%	230	3.5%	-22.3%	-25.2%	n.a.
North America	38	0.6%	69	1.0%	-45.7%	-45.7%	n.a.
<b>Total</b>	<b>6,552</b>	<b>100.0%</b>	<b>6,603</b>	<b>100.0%</b>	<b>-0.8%</b>	<b>-5.2%</b>	<b>0.2%</b>

\* Represent store closures and stores with onerous contracts announced in prior financial year(s)  
n.a. Not applicable

## Highlights of 1Q FY13/14 Performance

For the first quarter ended 30 September 2013 ("1Q FY13/14"), **Group turnover** amounted to HK\$6,552 million (1Q FY12/13: HK\$6,603 million), representing a decline of -5.2% in local currency when compared with the same period last year (-0.8% in Hong Kong dollar term due to favorable exchange rate). Excluding the store closures and stores with onerous contracts, and the North American operations, turnover from the core businesses of the Group declined by -4.0% in local currency (+0.5% in Hong Kong dollar term).

**Retail turnover** amounted to HK\$3,570 million (1Q FY12/13: HK\$3,468 million), a decrease of -1.2% year-on-year in local currency (+2.9% in Hong Kong dollar term). Retail net sales area (square meters) was reduced by -3.5% year-on-year. Excluding the store closures and stores with onerous contracts, retail turnover had a positive increase of +0.5% year-on-year in local currency (+4.7% in Hong Kong dollar term). This increase is mainly attributable to a more favorable development of the market in Europe and our efforts in sales activation which also resulted in a comparable store sales growth of +0.2%.

In Europe we observed a retail turnover growth (excluding store closures and stores with onerous contracts) of +5.6% year-on-year in local currency (+11.4% in Hong Kong dollar term). This increase is mainly attributable to +1.6% growth in comparable store sales and +3.0% year-on-year increase in retail space. Unfortunately, this positive development was offset by the weak retail performance in Asia Pacific region where the Group recorded a retail turnover decline of -14.5% in local currency (-15.1% in Hong Kong dollar term). This decline was primarily due to -7.1% year-on-year reduction in retail space and the decline in comparable store sales mostly driven by stock availability issues.

**Wholesale turnover** amounted to HK\$2,904 million (1Q FY12/13: HK\$3,092 million), a decrease of -10.9% in local currency (-6.1% in Hong Kong dollar term). The decrease was primarily attributable to a -13.2% year-on-year reduction in controlled wholesale space. Similar to retail, the year-on-year decline in wholesale turnover in local currency and controlled space was much more negative in Asia Pacific (-23.8% and -17.9% respectively) than in Europe (-7.9% in turnover and -12.1% in net sales area).

By Order of the Board  
**Florence Ng Wai Yin**  
Company Secretary

Hong Kong, 29 October 2013

*As at the date of this announcement, the Board comprises (i) Mr Jose Manuel Martínez Gutiérrez (Group Chief Executive Officer) and Mr Thomas Tang Wing Yung (Group Chief Financial Officer) as Executive Directors; (ii) Mr Jürgen Alfred Rudolf Friedrich as Non-executive Director; and (iii) Mr Raymond Or Ching Fai (Chairman), Mr Paul Cheng Ming Fun (Deputy Chairman), Mrs Eva Cheng Li Kam Fun, Mr Alexander Reid Hamilton, Mr Carmelo Lee Ka Sze and Mr Norbert Adolf Platt as Independent Non-executive Directors.*